

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Beech Grove Post Office
Beech Grove, Kentucky 42322

Docket No. A2012-40

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(December 21, 2011)

On October 27, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked October 19, 2011, from Joseph L. V. Dant (Petitioner) objecting to the discontinuance of the Post Office at Beech Grove, Kentucky.¹ On November 3, 2011, the Commission issued a Form 56, Notice of Filing under 39 U.S.C. § 404(d). On November 3, 2011, the Commission issued Order No. 946, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d).² In accordance with Order No. 946, the administrative record was filed with the Commission on November 14, 2011. Additional material was filed with the Commission on December 14, 2011. The following is the Postal Service's brief in support of its decision to discontinue the Beech Grove Post Office.

The appeal received by the Commission generally raises two main issues: (1) the impact upon the Beech Grove community and (2) economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and

¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

² The Commission issued two Notices of Errata concerning Order No. 946 on November 8 and 14, 2011, wherein it corrected erroneous dates in the procedural schedule.

Commission precedent,³ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Beech Grove Post Office should be affirmed.

Background

The Final Determination To Close the Beech Grove, KY Post Office and Continue to Provide Service by Rural Route Service, as well as the administrative record, indicates that the Beech Grove Post Office provides EAS-11 level service to 93 Post Office Box customers and no other delivery customers.⁴ The Postmaster of the Beech Grove Post Office retired on January 1, 2010. A temporary officer-in-charge (OIC) was installed to operate the office.⁵

The average number of daily retail window transactions at the Beech Grove Post Office is 22.⁶ Revenue has been low over the last few years: \$29,935.00 in FY 2008 (78 revenue units); \$29,637.00 in FY 2009 (77 revenue units); and \$26,799.00 in FY 2010 (70 revenue units).⁷ The Beech Grove Post Office has two permit customers.⁸ Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Calhoun Post Office, an EAS-18 level office located approximately 10 miles away, which has 310 available Post Office

³ See 39 U.S.C. § 404(d)(2)(A).

⁴ Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"). In these comments, specific items in the administrative record are referred to as "Item ____." Although the Proposal and Final Determination (FD) list the number of Post Office Box customers as 99, this number is not supported elsewhere in the record and appears to be a typographical error, particularly in light of the distribution of 99 questionnaires. This discrepancy does not have a material effect on the integrity of the FD.

⁵ FD at 2; Proposal at 2; Fact Sheet.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

Boxes.⁹ Retail services will also be available at the Sebree Post Office, an EAS-16 level office located approximately 8 miles away, which has 278 available Post Office boxes.¹⁰ This service will continue upon implementation of the Final Determination.¹¹

The Postal Service followed the proper procedures that led to the posting of the Final Determination. Issues raised by the customers of the Beech Grove Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the Beech Grove Post Office. Questionnaires were also available over the counter for retail customers at the Beech Grove Post Office.¹² A letter from the Manager of Post Office Operations (Louisville, KY) was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Beech Grove Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Calhoun and Sebree Post Offices.¹³ The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible

⁹ *Id.*

¹⁰ *Id.* Although Beech Grove customers might seek Post Office Box delivery and retail services at the nearer Sebree Post Office, the discontinuance study identified the Calhoun Post Office as the primary source of alternative service because it is the administrative office for the carriers that serve Beech Grove.

¹¹ FD at 2.

¹² FD at 2; Item No. 20, Questionnaire Instruction Letter to Postmaster/OIC; Proposal at 2.

¹³ Item No. 21, Cover Letter, Questionnaire, and Enclosure, at 1.

change involving rural route delivery.¹⁴ The returned customer questionnaires appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Beech Grove Christian Church for a community meeting on June 8, 2011, to answer questions and provide information to customers.¹⁵

Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Beech Grove, Calhoun, and Sebree Post Offices from June 24, 2011, to August 25, 2011.¹⁶ The Final Determination was posted at the Beech Grove, Calhoun, and Sebree Post Offices starting on October 7, 2011, as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record.

In light of the postmaster vacancy, minimal workload, low revenue, the variety of delivery and retail options (including the convenience of rural carrier delivery and retail service), the projected population decline in the area, minimal impact upon the community, and the expected financial savings, the Postal Service issued the Final Determination.¹⁷ Regular and effective postal services will continue to be provided to the Beech Grove community in a cost-effective manner upon implementation of the final determination.

¹⁴ *Id.*

¹⁵ *Id.*; FD at 2; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Proposal at 2. As noted in footnote 1, this discontinuance was conducted in accordance with the version of Handbook PO-101 that was in effect at the time, before revisions made during 2011 took effect.

¹⁶ FD at 2; Proposal at 1, 7. The Calhoun and Sebree Post Offices are not candidate facilities within the Retail Access Optimization Initiative (RAOI). See USPS Library Reference USPS-LR-N2011-1/11, "RAOI Candidate Facilities No Longer Under Consideration for Discontinuance Review," Docket No. N2011-1, September 21, 2011, at <http://www.prc.gov/Docs/75/75971/LR.11.Sept.21.pdf>.

¹⁷ See notes 3 through 9 and accompanying text; FD at 2-7; Proposal at 2-7; Item No. 16, Community Survey Sheet, at 2, *filed with* United States Postal Service Notice of Filing Addendum to the Administrative Record, Docket No. A2012-40, December 14, 2011; Item No. 17, Alternate Service Options/Cost Analysis; Fact Sheet.

The issues raised by the Petitioner are addressed in the following paragraphs.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Beech Grove Post Office on postal services provided to Beech Grove customers. The closing is premised upon providing regular and effective postal services to Beech Grove customers.

Petitioner expresses concern about the loss of a Post Office in the community and requests its retention. The effect of the closing of the Beech Grove Post Office on the availability of postal services to Beech Grove residents was considered extensively by the Postal Service.¹⁸ Upon the implementation of the Final Determination, services provided at the Post Office, such as the sale of stamps, envelopes, postal cards, and money orders, will also be available from the carrier.¹⁹ The carrier can deviate up to one-half mile from the line of travel in order to receive packages.²⁰ For delivery of accountable mail and large parcels, the carrier will attempt delivery to the customer's residence if the customer lives less than one-half mile from the line of travel.²¹

The Postal Service further explained that carrier service also is beneficial to many senior citizens and those who face special challenges because they do not have to travel to the Post Office for service.²² Customers are not required to travel to another

¹⁸ FD at 2-7; Proposal at 2-7.

¹⁹ FD at 3; Proposal at 3.

²⁰ FD at 2; Proposal at 2.

²¹ *Id.*

²² FD at 3-4; Proposal at 3-4.

post office to receive mail or obtain retail services.²³ These services will be provided by the carrier to a roadside mailbox located close to customers' residences.²⁴ In hardship cases, delivery can be made to the home of a customer if a request for a change in delivery method is submitted in writing to the Calhoun Postmaster.²⁵

In addition to carrier service, customers may opt for Post Office Box service at the nearby Calhoun or Sebree Post Office. There are 310 Post Office Boxes available at Calhoun and 278 Post Office Boxes available at Sebree.²⁶ Additionally, the Postal Service has offered to consider the option of centralized delivery through a Village Post Office (VPO) within the Beech Grove community. This would offer locked boxes for security and 24 hours access if located outdoors.²⁷

With regard to security concerns, the Postal Service researched this risk with the Postal Inspection Service and received no reports of mail theft or vandalism in the area.²⁸ The Postal Service also queried the McLean County Sheriff's Office and received an indication that no recent complaints had been logged regarding the Beech Grove Post Office.²⁹ Customers were advised that they can put a lock on their mailbox as long as the slot is large enough to accommodate their normal mail volume, and that customers can place a note in their mailboxes instructing the carrier to sound the horn

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ FD at 2; Proposal at 2.

²⁷ FD at 2, 4; Proposal at 2, 5; Item No. 13, Administrative Postmaster/OIC Comments; Item No. 15, Post Office Survey Sheet, at 2; Item No. 38, Customer Comments and Postal Service Response Letters, at 30 (Letter from Mike Noritis, Manager, Post Office Operations, to The Honorable Jim Gooch, Jr., State Representative (July 11, 2011)); United States Postal Service Notice of Filing Addendum to the Administrative Record, Docket No. A2012-40, December 14, 2011.

²⁸ Item No. 14, Inspection Service/Local Law Enforcement Vandalism Report, at 1.

²⁹ *Id.* at 2.

upon arrival in order to conduct financial transactions.³⁰ As noted above, if a VPO is installed, it will contain locked mailboxes.

Thus, the Postal Service has properly concluded that all Beech Grove customers will continue to receive regular and effective service via rural route delivery and the nearby Calhoun Post Office.

Effect Upon the Beech Grove Community

The Postal Service is obligated to consider the effect of its decision to close the Beech Grove Post Office upon the Beech Grove community. 39 U.S.C.

§ 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Beech Grove is an unincorporated rural community located in McLean County. The McLean County Sheriff's Office provides police protection, with fire protection provided by the Beech Grove Fire Department.³¹ The questionnaires completed by Beech Grove customers indicate that, in general, the retirees, self-employed persons, commuters, and others who reside in Beech Grove may travel elsewhere for work and for other supplies and services.³²

The Petitioner's letter of appeal raises the issue of the effect of the closing of the Beech Grove Post Office upon the Beech Grove community. This issue was

³⁰ FD at 4; Proposal at 4.

³¹ FD at 5; Proposal at 5; Item No. 16, Community Survey Sheet.

³² FD at 5; Proposal at 5; *see generally* Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters.

extensively considered by the Postal Service, as reflected in the administrative record.³³

The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name.³⁴ The record makes clear that the Postal Service is addressing this concern through preservation of the community identity by continuing the use of the Beech Grove name and ZIP Code in addresses.³⁵

In addition, the Postal Service has concluded that nonpostal services, and the information center typically provided by the Beech Grove Post Office, can be provided by the nearby Calhoun and Sebree Post Offices.³⁶ Government forms usually provided by the Post Office are also available by contacting local government agencies.³⁷

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Beech Grove Post Office on the community served by the Beech Grove Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that extending rural route carrier service would cost the Postal Service substantially less than maintaining the Beech Grove Post Office and would still

³³ FD at 5; Proposal at 5-6.

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.*

provide regular and effective service.³⁸ The estimated annual savings associated with discontinuing the Beech Grove Post Office are \$44,275.00.³⁹

Petitioner states that the savings resulting from closing the Beech Grove Post Office would be small. The Postal Service understands this concern, but must explore all opportunities to operate efficiently and provide effective and regular service. While the savings from any given initiative may seem small, these savings can make a difference when added together.

Economic factors are some of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).⁴⁰

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The permanent postmaster position has been vacant since January 30, 2010. The office is currently staffed by an officer-in-charge (OIC).⁴¹ The record shows that no other employee would be affected by this closing.⁴² Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Beech

³⁸ FD at 5; Proposal at 7.

³⁹ *Id.* This savings estimate will be approximately the same regardless of whether Beech Grove is served solely by rural route service or by a VPO with additional rural route service. *Compare* Item No. 17, Alternate Service Options/Cost Analysis, *with* Item No. 15, Post Office Survey Sheet, at 3, *filed with* United States Postal Service Notice of Filing Addendum to the Administrative Record, Docket No. A2012-40, December 14, 2011.

⁴⁰ *Id.*

⁴¹ FD at 2, 5. Further internal research indicates that this OIC was appointed from the Owensboro Post Office and will be offered an opportunity to return to that position upon closure of the Beech Grove Post Office.

⁴² *Id.*

Grove Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Beech Grove Post Office on the provision of postal services and on the Beech Grove community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Beech Grove customers. The Postal Service submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). Accordingly, the Postal Service respectfully requests that the determination to close the Beech Grove Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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